IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

BENEFICIAL INNOVATIONS, INC.,

Plaintiff,

vs.

BLOCKDOT, INC., a Texas Corporation; CAREERBUILDER, LLC., a Delaware corporation; CNET NETWORKS, INC., a Delaware corporation; DIGG, INC., a Delaware corporation; EBAUM'S WORLD, INC., a New York corporation; JABEZ NETWORKS, INC., a Tennessee corporation; THE NEW YORK TIMES COMPANY, a New York corporation; WASHINGTONPOST.NEWSWEEK INTERACTIVE COMPANY, LLC; a Delaware Corporation; THE WEATHER CHANNEL INTERACTIVE, INC., a Georgia corporation,

Defendants.

CASE NO. 2:07-CV-263 (TJW/CE)

Jury Trial Demanded

PLAINTIFF AND COUNTERDEFENDANT BENEFICIAL INNOVATIONS, INC.'S REPLY TO COUNTERCLAIMS OF THE NEW YORK TIMES COMPANY

Plaintiff and Counterdefendant Beneficial Innovations, Inc. ("Beneficial Innovations") hereby answers the amended counterclaims of Defendant and Counterclaimant The New York Times Company ("The New York Times"). All of the allegations of The New York Times' Counterclaims not specifically admitted are hereby denied.

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Answer to Counterclaims

Jurisdiction and Venue

1. Plaintiff and Counterdefendant Beneficial Innovations admits the allegations of subject matter jurisdiction in paragraph 1of The New York Times' Counterclaims.

2. Plaintiff and Counterdefendant Beneficial Innovations admits that venue is proper.

3. Plaintiff and Counterdefendant Beneficial Innovations admits the allegations contained in paragraph 3 of The New York Times' Counterclaims.

The Parties

4. Plaintiff and Counterdefendant Beneficial Innovations admits the allegation contained in paragraph 4 of The New York Times' Counterclaims.

5. Plaintiff and Counterdefendant Beneficial Innovations admits the allegation contained in paragraph 5 of The New York Times' Counterclaims.

The Facts

6. Plaintiff and Counterdefendant Beneficial Innovations admits that it is the owner of all rights, title, and interest in the '702 and '366 patents through assignment.

7. Plaintiff and Counterdefendant Beneficial Innovations admits the allegations in contained paragraph 7 of The New York Times' Counterclaims.

8. Plaintiff and Counterdefendant Beneficial Innovations admits that there exists and actual and continuing controversy between Beneficial Innovations and The New York Times.

Count I
Declaratory Judgment of Non-Infringement

9. Paragraph 9 of The New York Times' Counterclaims re-alleges and incorporates by reference the allegations of paragraphs 1-8 of The New York Times' Counterclaims. Beneficial Innovations incorporates by reference its response to the allegations of paragraphs 1-8 of The New York Times' Counterclaims. Except as expressly admitted, Beneficial Innovations denies each of the allegations of paragraph 9.

10. Plaintiff and Counterdefendant Beneficial Innovations denies the allegation contained in paragraph 10 of The New York Times' Counterclaims.

11. Plaintiff and Counterdefendant Beneficial Innovations denies the allegation contained in paragraph 11 of The New York Times' Counterclaims.

Count II
Declaratory Judgment of Patent Invalidity

12. Paragraph 12 of The New York Times' Counterclaims re-alleges and incorporates by reference the allegations of paragraphs 1-11 of The New York Times' Counterclaims. Beneficial Innovations incorporates by reference its response to the allegations of paragraphs 1-11 of The New York Times' Counterclaims. Except as expressly admitted, Beneficial Innovations denies each of the allegations of paragraph 12.

Prayer for Relief

Plaintiff and Counterdefendant Beneficial Innovations denies that The New York Times is entitled to the relief it seeks or any relief for the allegations made in its Answer and Counterclaims. Plaintiff and Counterdefendant Beneficial Innovations requests that judgment be entered in its favor on all issues and it be awarded the appropriate damages, exceptional damages, costs, and attorneys' fees.

Demand for Jury Trial

13. Plaintiff and Counterdefendant Beneficial Innovations demands trial by jury of all issues.

Dated: October 15, 2007

Respectfully submitted,

By: /s/ N. Claire Abernathy_____

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ATTORNEYS FOR PLAINTIFF
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served this 15th day of October, 2007, with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3). Any other counsel of record will be served by electronic mail, facsimile transmission and/or first class mail on this same date.

/s/ N. Claire Abernathy